



November 26, 2001

Mr. Len Marino,
California Department of Water Resources
State Water Project Analysis Office
1416 Ninth Street
PO Box 942836
Sacramento, CA 94236-0001

Mr. Len Marino,

In my capacity as an Operations Engineer with the California Independent System Operator, I provide daily engineering support to the real-time operation of the electric transmission system in Northern California, including that of the Oroville Complex, commonly referred to as “Hyatt-Thermalito”. I am also a member of the Sacramento Valley Study Group, whose goal is to identify and encourage operating practices that will ensure reliable electric transmission system operation in the Sacramento Valley.

The ISO recognizes Hyatt-Thermalito Complex as a significant contributor to the overall supply-reliability of electricity and it plays a very important role in the daily operations of the electric transmission system.

Please bear in mind that the ISO controlled grid is part of a vast interconnected system, including electrical ties to the rest of the Western United States and Canada, as well as ties to the hydroelectric pump-generators at Hyatt-Thermalito. Undoubtedly, significant operational difficulties presently exist within the ISO controlled grid. These difficulties are the effects of insufficient generating capacity throughout the state, and other grid reliability concerns such as voltage stability and equipment overloads. The Complex helps the ISO manage these kinds of problems.

The Hyatt-Thermalito Complex is capable of generating more than 900 MW, representing a substantial contribution to electrical supply reliability throughout California. This magnitude of power is capable of serving well over 500,000 households, business and public facilities. Without the generating resources contributed by the Hyatt-Thermalito Complex, California is considerably more vulnerable to additional supply shortages. The generating facilities at the Oroville Complex have also provided the ISO a variety of ancillary services required to operate the grid reliably. Those services include frequency regulation, voltage support, operating reserve capacity, and supplemental energy. The Hyatt-Thermalito complex is an especially unique and valuable resource in that it is capable of fast response to electric demand changes and furthermore, it is capable of recycling it's energy – by pumping water back upstream to improve operational flexibility and provide generation capacity during times of high power demand.

The ISO looks forward to sustained generating capacity during the FERC re-licensing of the Oroville Complex; both for the energy it supplies to California and the additional reliability benefits it provides to the ISO Grid. Upon re-licensing, this pump-generator complex would be depended upon to continue to help mitigate these electric system operational issues and remain standing as a basic infrastructure elements for a reliable Northern California electric system. Please feel free to contact me at (916) 608-5835 if you have any questions. Thank you.

Sincerely,

Wilson Head

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CAISO
151 Blue Ravine Road
Folsom, California 95630
(916) 351-4400

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Page 2